

39. What you do for wharfage is what you would not do at a station where there is no wharf?—Yes; it is an additional service.

40. *Mr. Myers.*] His Honour has spoken about the terminal charges. You would have a terminal charge included in the rate of freight from Foxton?—Yes, every freight rate has a terminal charge.

41. But when does that commence?—For the purposes of goods, ex ship, when you have finished sorting in the shed. You are then in the same position as when a cart brings goods to the shed-door. You have to take delivery at the door, check the consignment, and wheel it into the trucks for despatch to destination.

42. Is there any terminal charge included in the 2s. which you charge on goods coming into Foxton?—No, that is purely a wharfage charge, and ordinarily covers the use of the wharf only.

43. I want you to tell the Commission what you were entitled to charge and could have charged on all those goods under your regulations and tariff?—For all the haulage and handling that is performed as between the wharf and the shed we are entitled to charge 1s. 6d. per ton under the regulations.

44. *Mr. Hannay.*] In other words, if the wharf belonged to the Harbour Board you could still charge 1s. 6d. instead of 2s.?—That is so. I should like to remove any misapprehension the members of the Commission may be under in regard to the cost of working the wharf. The 65 per cent. which I mentioned does not represent the cost on the wharf, but is a fair average for working the Foxton line. I took 65 per cent. and capitalized it for the purpose of ascertaining the value of the wharf as a going concern, because we did not want to inflate the net revenue; but, as a matter of fact, the actual cost of working the wharf at that particular time was under 49 per cent. of the gross earnings; and I pointed out in the correspondence with the Board that by taking the expenses at 65 per cent. instead of 45 per cent., we were placing the Harbour Board in a very advantageous position.

45. *The Chairman.*] As to the purchase price, based on revenue?—Yes, the valuation on the 65-per-cent. basis was £37,600; while on the basis of actual working-cost, 49 per cent., it would have been £54,000.

46. I understood that you gave us before what was the net expenditure?—I was speaking of the Foxton Branch then. I said it would be about 66 per cent. of gross earnings.

47. No, you gave us the net amount that would be got from the wharf after paying for the labour, which you say is part of the wharfage rate?—The question as I understood it was, "What relation did the net earnings of the Foxton Wharf bear to the Foxton Branch?"

48. No, I think you gave us before what the labour cost?—Yes, that is the labour cost working the wharf. The figures are included in the return handed in.

49. *Mr. Williams.*] In 1916 the revenue was £3,612, and the expenditure £1,989, including maintenance of wharf?—Yes, that is about 55 per cent. for expenditure, including maintenance of wharf.

50. *The Chairman.*] Supposing you had the wharf left to your own management, I suppose the Harbour Board would not object to that. So far as this wharfage work is concerned, the rates amount to about £1,600 or £1,700 a year, and that is what the Harbour Board wants. They want it as a wharfage rate. You must either do that or not charge more than the labour, which is in the nature of a terminal charge on the goods?—If the Board purchased the wharf, and the Department worked it for the Board, an agreement would be entered into and price per ton for handling fixed. The Department might in that case charge haulage rates in addition, 1s. 6d. per ton from ship's side to shed.

51. *Mr. Myers.*] Do you charge 1s. 6d. elsewhere?—Yes, for haulage and handling. We do not charge it at Foxton and some of the other ports, because of the competition, which in respect to Foxton was originally between Government railways and Manawatu line.

52. *Mr. Hannay.*] You should have been charging it all along?—Yes. It is a gazetted rate, and would be quite properly charged at Foxton, but was waived for competitive purposes during the Wellington-Manawatu Company's time, and not enforced since.

53. *Mr. Myers.*] Supposing the wharf did not belong to the Railway Department at all, would the Department still have to perform the haulage and handling services for which its charge under the tariff is 1s. 6d. per ton?—Most undoubtedly it would, and a charge of 1s. 6d. per ton would then be made.

54. That work would still have to be performed by the Department, apart altogether from the Board?—Yes, apart altogether from the Board, who would have no facilities, and could not be allowed to handle goods in railway goods-shed.

55. Apparently the owners of goods coming to Foxton have been fortunate in that that item has not been charged in the past?—Yes, that is the position. They have had maximum services for the minimum charge.

56. Well, for many years the wharf and railway have worked together?—Yes, as an integral part of one system.

57. And for many years the railway did not pay as a railway?—That is right.

58. Now, I want you to compare this 2s. charged by the Railway Department at Foxton with the wharfages charged by some of the Harbour Boards. Take, for instance, Wellington?—The charge at Wellington for wool and merchandise at the present time is 3s.

59. Of which how much is referable to labour?—One shilling.

60. So that they charge 2s. for wharfage and 1s. for labour?—Yes.

61. What about Wanganui?—That is also under the Harbour Board.

62. What do they charge there?—General merchandise, 3s. on import goods and 2s. on export goods—import goods weighing under 1 ton.

63. *The Chairman.*] What do they do for that?—They provide the harbour and the wharf. The railways handle the goods for them by arrangement.